Mr. Runciman presented a memorandum on the subject of Merchant Shipping, in which, speaking of the restriction of imports, he said that *Plans not carried out* the full effect of the restrictions he had devised had not yet been experienced, but it was estimated that the total annual saving would amount to something between 1,500,000 and 1,800,000 tons' weight of imports. He added that after careful inquiry, the Board of Trade were of the opinion that it was not practicable to bring about further material reduction of unessential imports by the instrument of direct prohibition. A further reduction would be secured indirectly by high prices, by the gradual cessation of unessential industries in this country owing to withdrawal of labour, etc., and by the very fact of the shortage of ships.

A very lengthy list had by this time been compiled of provisionally prohibited goods, which could only be imported by permission and licence *Method of* of the Board of Trade. But such licence *pSition* was forthcoming freely enough to cut down the possible effect of the prohibition to the slender limits indicated by Mr. Runciman, whose main hope continued to be, not in a fully planned control of imports, but in the undirected and uncontrolled operation of high freights. In the absence both of a considered restriction of imports

and of national requisition of all our shipping, tonnage strayed into voyages where the freights were fat. So that while shipping shortage cut down our 1916 imports by between 7 and 8 million tons, not more than ij million tons were excluded through deliberate restrictions.

On 15th December, 1916, after the change of